

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**Application of Pacific Gas and Electric Company to  
Update Pipeline Safety Enhancement Plan (U39G).Application 13-10-017  
(Filed October 29, 2013)**DECISION GRANTING COMPENSATION TO THE UTILITY REFORM  
NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION 14-11-023**

<b>Intervenor:</b> The Utility Reform Network (TURN)	<b>For contribution to Decision (D.)</b> 14-11-023
<b>Claimed:</b> \$71,838.12	<b>Awarded:</b> \$63,390.62 (11.8% Reduction)
<b>Assigned Commissioner:</b> Michel Peter Florio	<b>Assigned ALJ:</b> Maribeth Bushey

**PART I: PROCEDURAL ISSUES**

<b>A. Brief description of Decision:</b>	Decision 14-11-023 approved a settlement agreement among TURN, the Office of Ratepayer Advocates (ORA) and Pacific Gas & Electric Company (PG&E) that reduced the 2012-2014 Pipeline Safety Enhancement Plan (PSEP) revenue requirement by \$23 million from PG&E's initial proposal, which itself provided for a \$53 million reduction from the amount adopted by the Commission in D.12-12-030.
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**B. Intervenor must satisfy intervenor compensation requirements set forth in Pub.  
Util. Code §§ 1801-1812:**

	<b>Intervenor</b>	<b>CPUC Verified</b>
<b>Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):</b>		
1. Date of Prehearing Conference (PHC):	March 3, 2014	March 3, 2014
2. Other specified date for NOI:	N/A	
3. Date NOI filed:	April 2, 2014	Verified.
4. Was the NOI timely filed?		

Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	A.12-11-009	Verified.
6. Date of ALJ ruling:	September 6, 2013	Verified.
7. Based on another CPUC determination (specify):		
8. Has the Intervenor demonstrated customer or customer-related status?		Yes.
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	A.12-11-009	Verified.
10. Date of ALJ ruling:	September 6, 2013	Verified.
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes.
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.14-11-023	Verified.
14. Date of issuance of Final Order or Decision:	November 24, 2014	Verified.
15. File date of compensation request:	January 23, 2015	Verified.
16. Was the request for compensation timely?		

## PART II: SUBSTANTIAL CONTRIBUTION

### A. Did the Intervenor substantially contribute to the final decision (see § 1802(i), § 1803(a), and D.98-04-059).

Intervenor’s Claimed Contribution(s)	Specific References to Intervenor’s Claimed Contribution(s)	CPUC Discussion
1. Settlement Outcome: TURN successfully sought reductions to PG&E’s proposed revenue requirement based on TURN’s view that certain included work was outside the proper scope of the PSEP Update Application and should be excluded.	<ul style="list-style-type: none"> <li>TURN Protest, pp. 3-4.</li> <li>Adopted Settlement Agreement, Paragraph 4.1</li> </ul>	Accepted.
2. Settlement Outcome: TURN successfully sought changes to Tables 2-5 and 2-10 in the Update Application to correctly reflect that some of the miles that PG&E showed	<ul style="list-style-type: none"> <li>Adopted Settlement Agreement, Paragraph 4.8</li> </ul>	Accepted.

as being replaced will actually be retired or downrated.		
3. Settlement Outcome: TURN successfully sought changes to the form and content of the final PSEP Report to promote more accountability and transparency.	<ul style="list-style-type: none"> <li>Adopted Settlement Agreement, Paragraph 4.9</li> </ul>	Accepted.

**B. Duplication of Effort (§ 1801.3(f) and § 1802.5):**

	<b>Intervenor's Assertion</b>	<b>CPUC Discussion</b>
<b>a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?</b> <sup>1</sup>	Yes	Yes.
<b>b. Were there other parties to the proceeding with positions similar to yours?</b>	No	Accepted.
<b>c. If so, provide name of other parties:</b> N/A		
<b>d. Intervenor's claim of non-duplication:</b>  In this case, TURN continued its successful efforts in the initial PSEP proceeding (R.11-02-019) to coordinate its efforts with ORA to avoid undue duplication. In D.13-09-022, the Commission made no duplication-related reduction to TURN's compensation request for its substantial contributions to D.12-12-030, the initial PSEP decision.  The complexity and detailed nature of the information PG&E presented in its application made it absolutely necessary for TURN and ORA to carefully coordinate their efforts to avoid duplication. As TURN pointed out in its Protest (p. 2), PG&E's application was accompanied by 5 thick volumes of workpapers presented on a project-by-project basis that rendered a thorough analysis extremely resource-intensive and time-consuming. Accordingly, TURN and ORA focused on analysis of different projects and issues, and propounded separate data requests to pursue those different matters. As a result, in the settlement negotiations, TURN and ORA continued to advocate for different revenue requirement reductions and different other changes to PG&E's request. This coordination was accomplished through regular		Accepted.

<sup>1</sup> The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

meetings and calls between TURN and ORA to compare efforts and to ensure that we were not duplicating work. Our time records include a number of entries (coded as “Coord”) for efforts that were primarily devoted to such communications with ORA.	
In sum, the Commission should find that TURN's participation was efficiently coordinated with the participation of ORA so as to avoid undue duplication.	

**C. Additional Comments on Part II:**

#	Intervenor’s Comment	CPUC Discussion
	<p><u>Settlement Outcomes</u>: While the Commission has held that mere “participation in settlement negotiations” is not sufficient to guarantee productive participation, it has also recognized that active participation in settlements does justify compensation, especially when it contributes to the development of a record that assists the Commission. D.00-07-046, <i>mimeo.</i> at 6; D.00-07-015, <i>mimeo.</i> at 5. In D.11-09-037, the Commission awarded TURN full compensation for its participation in a settlement related to PG&amp;E’s gas transmission operations that, as here, was reached prior to the submission of intervenor testimony and resulted in a reduced revenue requirement.</p> <p>As in D.11-09-037, TURN’s substantial contributions to the settled outcome can be inferred by comparing the terms of the settlement with the position of PG&amp;E in its opening testimony. The differences in terms of reduced revenue requirements, corrected reporting of PSEP work, and improved information in the final PSEP report are all reflected in the adopted Settlement Agreement.</p> <p>Without divulging confidential settlement negotiations, TURN states that its attorney, Mr. Long, played a significant</p>	The Commission agrees with TURN’s assertion.

	role in representing residential ratepayer interests in the negotiations with PG&E and the drafting of the substantive terms of the Settlement Agreement.	
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### PART III: REASONABLENESS OF REQUESTED COMPENSATION

#### A. General Claim of Reasonableness (§ 1801 and § 1806):

a. Intervenor's claim of cost reasonableness:	CPUC Discussion
<p>TURN's request for intervenor compensation seeks an award of approximately \$70,000 as the reasonable cost of our participation in this proceeding. TURN submits that these costs are reasonable in light of the importance of the issues TURN addressed and the benefits to customers.</p> <p>The most obvious and easily quantified benefit to customers from TURN's participation in this case is reflected by the \$23 million decrease in PG&amp;E's proposed 2012-2014 PSEP revenue requirement. Although TURN shares credit for this decrease with ORA, TURN can aver that its contributions to the revenue requirement reduction dwarf the relatively small amount of compensation TURN seeks here. The benefits of TURN's participation are enhanced by TURN's success in gaining more accurate and complete reports regarding PG&amp;E's PSEP work.</p> <p>Accordingly, TURN's efforts were efficient and the benefits achieved far outweigh the costs of TURN's participation.</p>	<p><i>See CPUC Disallowances and Adjustments, III.D.1.</i></p>
b. Reasonableness of hours claimed:	
<p>This Request for Compensation includes approximately 125 hours of TURN attorney time, all but 0.5 hours of which were incurred by attorney Thomas Long. TURN's efforts reflected in this request resulted in the substantial contributions detailed above, and encompass: a pre-application workshop, meetings, and pleadings regarding the appropriate scope, schedule, content and format for the PSEP Update application and supporting materials; preparation of TURN's Protest; data requests and analysis regarding the complex and detailed material presented in the application and five volumes of workpapers; technical meetings with PG&amp;E; review and analysis of SED's Safety Report and participation in the SED workshop; and active participation in settlement negotiations and preparation of settlement documents.</p> <p>Mr. Long was able to handle these duties on his own because of his experience as TURN's lead attorney in the review and litigation regarding PG&amp;E's initial PSEP proposal that was addressed in D.12-12-030, and because of TURN's coordination with ORA to avoid duplication of effort. The result was an extremely efficient use of TURN's limited resources.</p> <p>TURN's request includes approximately 31 hours for work performed by Mr.</p>	<p><i>See CPUC Disallowances and Adjustments, III.D.1.</i></p>

Long prior to PG&E's filing of the application. As noted above, this work consisted primarily of participation in a Commission-led pre-application workshop and follow-up meetings among the parties, as well as preparation of joint TURN and ORA pleadings and presentations to Commission officials, all relating to the appropriate scope, schedule, content and format for the PSEP Update application and supporting materials. This pre-application work was important to TURN's substantial contributions because the efforts to agree on the content and format of the application and workpapers led to agreements with PG&E that facilitated TURN's review and analysis of those documents. In addition, although the parties ultimately did not agree on the proper scope of projects that should be included in the application, the efforts by TURN and ORA to clarify the scope (which were not addressed by the Commission) made clear our litigation position and became a factor that parties needed to consider in their assessment of settlement proposals. Commission Rule 17.4(d) provides that the "request for compensation may include reasonable costs of participation in the proceeding that were incurred prior to the start of the proceeding." For the reasons stated, TURN submits that its pre-application activities were entirely reasonable and necessary to TURN's substantial contributions, and should therefore be fully compensated.

TURN's work, approximately 9 hours by Mr. Long, to review the SED report and participate in the SED workshop should also be fully compensated. The SED report was an integral part of the proceeding, as reflected in the Decision's adoption of the settling parties' motion to include the SED report in the evidentiary record. (D.14-11-023, p. 9). SED's review of the quality of PG&E's MAOP Validation efforts and PG&E's revised scope of the PSEP program addressed key issues underlying PG&E's application, and TURN was an active participant in the workshop discussing and probing SED's findings. This work was essential to TURN's analysis of PG&E's application and facilitated TURN's substantial contributions.

TURN is claiming (at half the normal hourly rate) 8.25 hours for preparation of this compensation request and 0.75 hours for preparation of its notice of intent to claim compensation. TURN submits that this is a reasonable amount of time for a request of this size and scope. Mr. Long prepared this request because of his knowledge of all aspects of TURN's participation in this case.

In sum, TURN submits that the Commission should find the hours requested here to be reasonable and that TURN's showing supports that conclusion. However, should the Commission believe that more information is needed or that a different approach to discussing the reasonableness of the requested hours is warranted here, TURN requests the opportunity to supplement this section of the request.

**c. Allocation of hours by issue:**

TURN has allocated its daily time entries by activity codes to better reflect the nature of the work reflected in each entry. TURN has used the following activity codes and has calculated the allocation of time percentages based on the time presented in its attached timesheets:

Code	Description	Allocation of Time
Exclude	Work related to assessing the updated projects for 1) work that should be excluded as outside the proper scope of the Update Application and 2) accuracy of reporting.	25%
Stlmt	Work related to participation in settlement negotiations and drafting of settlement documents.	23%
Scope	Pre-application work related to presenting TURN's positions regarding the appropriate scope, schedule and format of PG&E's applications and workpapers.	23%
SED	Work related to reviewing the SED Report and participation in the workshop.	7%
GP	The work in this category includes activities associated with general participation in this proceeding.	11%
Coord	Work related to coordinating with ORA to avoid duplication of effort	4%
Comp	Intervenor Compensation: work preparing the Notice of Intent and Request for Compensation.	7%
<b>TOTAL</b>		<b>100%</b>

If the Commission believes that a different approach to issue-specific allocation is warranted here, TURN requests the opportunity to supplement this section of the request.

See CPUC Disallowances and Adjustments, III.D.1.

**B. Specific Claim:\***

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hour s	Rate \$	Total \$
Thomas Long	2013	53.50	\$555	D.14-05-015	\$29,692.50	38.5	\$555	\$21,367.50
T. Long	2014	69.00	\$570	Res. ALJ-303 (2013 rate increased by 2.36%	\$39,330.00	69	\$570 <sup>2</sup>	\$39,330.00

<sup>2</sup> Application of 2.58% Cost-of-Living-Adjustment (COLA) per Resolution ALJ-303.

				COLA)				
Robert Finkelstein	2013	0.50	\$490	D.14-05-015	\$245.00	0.5	\$490	\$122.50
Subtotal: \$69,267.50						Subtotal: \$60,820.00		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
T. Long	2014	0.75	\$285	½ of 2014 rate	\$213.75	0.75	\$285	\$213.75
T. Long	2015	8.25	\$285	½ of 2014 rate – see comment 1	\$2,351.25	8.25	\$285	\$2,351.25
Subtotal: \$ 2,565.00						Subtotal: \$2,565.00		
COSTS								
#	Item	Detail			Amount	Amount		
	Photocopies	Photocopies of TURN pleadings			\$2.40	\$2.40		
	Postage	Postage for mailing TURN pleadings to Commission			\$3.22	\$3.22		
Subtotal: \$5.62						Subtotal: \$5.62		
TOTAL REQUEST: \$71,838.12						TOTAL AWARD: \$63,390.62		
<p>**We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer’s normal hourly rate.</p>								
ATTORNEY INFORMATION								
Attorney		Date Admitted to CA BAR <sup>3</sup>		Member Number		Actions Affecting Eligibility (Yes/No?) If “Yes”, attach explanation		
Thomas Long		December 11, 1986		124776		No		
Bob Finkelstein		June 13, 1990		146391		No		

**C. Attachments Documenting Specific Claim and Comments on Part III:**

<b>Attachment or Comment #</b>	<b>Description/Comment</b>
1	Certificate of Service

<sup>3</sup> This information may be obtained through the State Bar of California's website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.



2	<b>Daily Time Records of TURN's Attorneys</b>
3	<b>Detail of TURN Expenses</b>
Comment #1	TURN is not requesting here that the Commission establish an hourly rate of \$570 for Mr. Long's work in 2014. At the time this request for compensation was submitted, the Commission had not yet determined the general "cost-of-living" adjustment for 2015. Therefore, TURN is using the \$570 hourly rate as a placeholder for whatever rate results from application of any general adjustment the Commission may adopt for 2015 to the previously authorized rate of \$570 for work Mr. Long performed in 2014.

**D. CPUC Disallowances and Adjustments:**

Item	Reason
1. Reduction of time dedicated to scope allocation category	We reduce by 50%, work within the SCOPE allocation category as excessive. TURN attributes 31 hours dedicated to scoping, case management, and strategy development work (or 23% of its claim), in 2013 before the proceeding began. These hours are excessive given they were not essential in developing the Settlement or the decision. We reduce these hours by 50%, or 15.5 hours.

**PART IV: OPPOSITIONS AND COMMENTS**

<b>A. Opposition: Did any party oppose the Claim?</b>	No.
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If so:

<b>B. Comment Period: Was the 30-day comment period waived (see Rule 14.6(c)(6))?</b>	Yes.
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**FINDINGS OF FACT**

- TURN has made a substantial contribution to D.14-11-023.
- The requested hourly rates for TURN's representatives are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
- The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
- The total of reasonable compensation is \$63,390.62.

**CONCLUSIONS OF LAW**

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.
2. Comments on today's decision should be waived, and the decision should be made effective immediately.

**ORDER**

1. The Utility Reform Network shall be awarded \$63,390.62.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company shall pay The Utility Reform Network the total award. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning April 8, 2015, the 75<sup>th</sup> day after the filing of The Utility Reform Network's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.

This decision is effective today.

Dated \_\_\_\_\_, at San Francisco, California.

**APPENDIX****Compensation Decision Summary Information**

<b>Compensation Decision:</b>		<b>Modifies Decision?</b>	No
<b>Contribution Decision(s):</b>	D1411023		
<b>Proceeding(s):</b>	A1310017		
<b>Author:</b>	ALJ Bushey		
<b>Payer(s):</b>	Pacific Gas and Electric Company		

**Intervenor Information**

<b>Intervenor</b>	<b>Claim Date</b>	<b>Amount Requested</b>	<b>Amount Awarded</b>	<b>Multiplier?</b>	<b>Reason Change/Disallowance</b>
The Utility Reform Network (TURN)	1/23/15	\$71,838.12	\$63,390.62	N/A	Reduction of hours in the "SCOPE" allocation category.

**Advocate Information**

<b>First Name</b>	<b>Last Name</b>	<b>Type</b>	<b>Intervenor</b>	<b>Hourly Fee Requested</b>	<b>Year Hourly Fee Requested</b>	<b>Hourly Fee Adopted</b>
Tom	Long	Attorney	TURN	\$555	2013	\$555
Tom	Long	Attorney	TURN	\$570	2014	\$570
Bob	Finkelstein	Attorney	TURN	\$490	2013	\$490

**(END OF APPENDIX)**